



# State of South Carolina

## Office of the Governor

MARK SANFORD  
GOVERNOR

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June 6, 2006

The Honorable Robert Harrell, Jr.  
Speaker of the House of Representatives  
Post Office Box 11867  
Columbia, South Carolina 29211

Dear Mr. Speaker and Members of the House:

I am hereby vetoing and returning without my approval H. 4491, R-376.

Under current law, a service-related business must use the per capita income of the county where it is located as the criteria to qualify for a job tax credit. H. 4491 would instead give a service-related business the option of using the lower of state per capita income or county per capita income as the qualifying threshold for a job tax credit.

Though the legislation is very well intended, the reality is that we only have a limited number of dollars for economic incentives, and we believe they should be targeted to the places where they will yield the highest return. This bill would send the tax incentives in question to some of the wealthiest parts of the state, and doing so is at odds with the general direction of the administration as it relates to economic incentives.

We have believed that we must first do all possible to improve the general climate for businesses operating in our state. Accordingly, for the first time in South Carolina, history we have cut the marginal tax rate for small businesses, enacted the first comprehensive tort reform law, passed a tech prep program, "Pathways to Prosperity," worked to lower the cost of government and more.

We believe these efforts must be aggressively complemented with incentives and recruitment efforts by the Department of Commerce to bring opportunities to areas of the state that otherwise would not have them. Providing incentives for service sector jobs in some of the wealthiest parts of our state unfortunately fails to cross this threshold and, so despite the immediate job prospect at hand in this situation, the broad language of this bill would, in the long run, take us down a very different course than the one currently set.

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To give an example of the course currently set, last week I signed into law a bill, H. 4446, which reinstated the ten-year corporate moratorium for economically poor counties so that we can recruit more companies like Beneteau in Marion County and Grant Forest Products, split between Allendale and Clarendon counties.

For these reasons stated earlier, I am returning H. 4491 to you without my signature.

Sincerely,

A handwritten signature in blue ink, appearing to be "MS", is written above the printed name.

Mark Sanford